CLAIMS

1. A method for managing risk associated with at least one financial transaction, each of said at least one financial transaction having at least a first risk factor and a second risk factor, the method comprising the steps of:

    a) receiving one of said at least one financial transactions;

    b) transferring said first risk factor to a first risk book;

    c) transferring said second risk factor to a second risk book.

    d) receiving another of said at least one financial transactions; and

    e) repeating steps b – d for each of said at least one financial transactions.

2. The method of claim 1, wherein said first risk factor is an interest rate risk and said first risk book is an interest rate risk book.

3. The method of claim 2, wherein said second risk factor is an FX risk and said second risk book is an FX risk book.

4. The method of claim 1, wherein one of said at least one financial transactions has a third risk factor and wherein following the step of transferring said second risk factor the method further includes the step of:

    c.1) transferring said third risk factor to a third risk book.

5. The method of claim 4, wherein one of said at least one financial transactions has a fourth risk factor and wherein following the step of transferring said third risk factor the method further includes the step of:

    c.2) transferring said fourth risk factor to a fourth risk book.

6. The method of claim 4, wherein said third risk factor is a collateral risk and said third risk book is an collateral risk book.

7. The method of claim 5, wherein said fourth risk factor is a volatility risk and said fourth risk book is a volatility risk book.

8. The method of claim 4, wherein said first risk factor is an interest rate risk and said first risk book is an interest rate risk book.

9. The method of claim 8, wherein said second risk factor is a collateral risk and said second risk book is a collateral risk book.

10. The method of claim 9, wherein said third risk factor is a volatility risk and said third risk book is a volatility risk book.

11. The method of claim 4, wherein said first risk factor is an interest rate risk and said first risk book is an interest rate risk book.

12. The method of claim 11, wherein said second risk factor is a volatility risk and said second risk book is a volatility risk book.

13. The method of claim 12, wherein said third risk factor is an FX risk and said third risk book is an FX risk book.

14. The method of claim 4, wherein said first risk factor is an FX risk and said first risk book is an FX risk book.

15. The method of claim 14, wherein said second risk factor is a collateral risk and said second risk book is a collateral risk book.

16. The method of claim 15, wherein said third risk factor is a volatility risk and said third risk book is a volatility risk book.

17. The method of claim 3, wherein one of said at least one financial transaction is an FX forward contract between a first currency and a second currency, said FX forward contract

having a delivery date, and wherein the step of transferring said first risk factor includes the steps of:

borrowing money in said first currency to be payable on said delivery date; and

depositing money in said second currency to be received on said delivery date;

and wherein the step of transferring said second risk factor includes the step of:

executing a spot transaction between said first currency and said second currency.

18. The method of claim 4, wherein one of said at least one financial transactions is a gold lease having a delivery date and providing periodic interest payments in a first currency, and wherein the step of transferring said first risk factor include the step of:

executing a zero-coupon gold deposit to be payable on said delivery date;

wherein the step of transferring said second risk factor include the steps of:

executing a note being due on said delivery date, said note requiring periodic interest payments to be made in said first currency; and

executing a zero-coupon loan in said first currency to be paid on said delivery date;

and wherein the step of transferring said third risk factor includes the step of:

executing a spot transaction between said first currency and a second currency.

19. The method of claim 1, further comprising the steps of:

hedging said first risk factor included in said first risk book; and

hedging said second risk factor included in said second risk book.

20. The method of claim 4, further comprising the step of:

hedging said third risk factor included in said third risk book.

21. The method of claim 5, further comprising the step of:

hedging said fourth risk factor included in said fourth risk book.

22. A system for managing risk, the system comprising:

at least one trader book, said at least one trader book including a plurality of transactions wherein each of said plurality of financial transactions has a first risk factor and a second risk factor;

at least a first risk book and a second risk book; and

a risk stripping module, said risk stripping module in communications with said at least one trader book and with said first risk book and second risk book;

wherein when said risk stripping module receives each of said plurality of transactions, said risk stripping module executes a first hedging transaction for transferring said first risk factor to said first risk book and a second hedging transaction for transferring said second risk factor to said second risk book.

23. The system of claim 22, wherein said first risk factor is an interest rate risk and said first risk book is an interest rate risk book.

24. The system of claim 23, wherein said second risk factor is an FX risk and said second risk book is an FX risk book.

25. The system of claim 22, further comprising a third risk book and wherein some of said plurality of financial transactions have a third risk factor and wherein said risk stripping module executes a third hedging transaction for transferring said third risk factor to said third risk book.

26. The system of claim 25, further comprising a fourth risk book and wherein some of said plurality of financial transactions have a fourth risk factor and wherein said risk stripping module executes a fourth hedging transaction for transferring said fourth risk factor to said fourth risk book.

27. The system of claim 25, wherein said third risk factor is a collateral risk and said third risk book is an collateral risk book.

28. The system of claim 26, wherein said fourth risk factor is a volatility risk and said fourth risk book is a volatility risk book.

29. The system of claim 25, wherein said first risk factor is an interest rate risk and said first risk book is an interest rate risk book.

30. The system of claim 29, wherein said second risk factor is a collateral risk and said second risk book is a collateral risk book.

31. The system of claim 30wherein said third risk factor is a volatility risk and said third risk book is a volatility risk book.

32. The system of claim 25, wherein said first risk factor is an interest rate risk and said first risk book is an interest rate risk book.

33. The system of claim 32, wherein said second risk factor is a volatility risk and said second risk book is a volatility risk book.

34. The system of claim 33, wherein said third risk factor is an FX risk and said third risk book is an FX risk book.

35. The system of claim 4, wherein said first risk factor is an FX risk and said first risk book is an FX risk book.

36. The system of claim 35, wherein said second risk factor is a collateral risk and said second risk book is a collateral risk book.

37. The system of claim 36, wherein said third risk factor is a volatility risk and said third risk book is a volatility risk book.

38. The system of claim 24, wherein one of said plurality of transactions is an FX forward contract between a first currency and a second currency, said FX forward contract having a delivery date, and wherein said first hedging transaction includes borrowing money in said first currency to be payable on said delivery date and depositing money in said second currency to be received on said delivery date and wherein said second hedging transaction includes executing a spot transaction between said first currency and said second currency.

39. The system of claim 25, wherein one of said plurality of transactions is a gold lease having a delivery date and providing periodic interest payments in a first currency, and wherein said first hedging transaction includes executing a zero-coupon gold deposit to be payable on said delivery date, said second hedging transaction includes executing a note being due on said delivery date, said note requiring periodic interest payments to be made in said first currency, and executing a zero-coupon loan in said first currency to be paid on said delivery date and wherein said third hedging transaction includes executing a spot transaction between said first currency and a second currency.

40. The system of claim 22, wherein said first risk factor included in said first risk book and said second risk factor included in said second risk book are hedged.

41. The system of claim 25, wherein said third risk factor included in said third risk book is hedged.

42. The system of claim 26, wherein said fourth risk factor included in said fourth risk book is hedged.

43. A method for managing risk associated with a financial transaction, said financial transaction having at least a first risk factor and a second risk factor, the method comprising the steps of:

transferring said first risk factor to a first risk book;

transferring said second risk factor to a second risk book.

44. The method of claim 43, wherein said first risk factor is an interest rate risk and said first risk book is an interest rate risk book.

45. The method of claim 44, wherein said second risk factor is an FX risk and said second risk book is an FX risk book.

46. The method of claim 43, wherein said financial transaction has a third risk factor and wherein the method further includes the step of:

transferring said third risk factor to a third risk book.

47 The method of claim 46, wherein said financial transactions has a fourth risk factor and wherein the method further includes the step of:

transferring said fourth risk factor to a fourth risk book.

48. The method of claim 46, wherein said third risk factor is a collateral risk and said third risk book is an collateral risk book.

49. The method of claim 47, wherein said fourth risk factor is a volatility risk and said fourth risk book is a volatility risk book.